

# North Dakota State Water Commission

900 EAST BOULEVARD AVENUE, DEPT 770 • BISMARCK, NORTH DAKOTA 58505-0850  
701-328-2750 • TDD 701-328-2750 • FAX 701-328-3696 • INTERNET: <http://swc.nd.gov>

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## **NOTICE OF MEETING**

The North Dakota State Water Commission, a state-level entity, will be holding an audio conference call meeting on July 30, 2012, at 3:00 P.M., Central Daylight Time. The meeting will originate in the Governor's conference room, Office of the Governor, 600 East Boulevard Avenue, Bismarck, North Dakota.

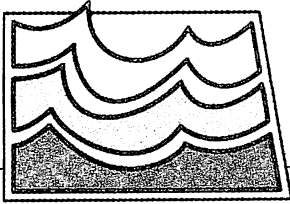
At the time this notice is being prepared, the governing body expects the agenda of its meeting to include those topics as listed on the attached agenda, additional topics may be discussed. The discussion of agenda topics, where noted, may be held in executive session rather than during the portion of the meeting which is open to the public.

*Date of Notice:*

*July 23, 2012*

*Contact:*

*Sharon Locken  
Administrative Staff Officer  
North Dakota State Water Commission  
900 East Boulevard Avenue  
Bismarck, ND 58505  
Direct Office Phone (701-328-4940)  
Fax (701-328-3696)  
Email: [slocken@nd.gov](mailto:slocken@nd.gov)*



# North Dakota State Water Commission

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**Audio Conference Call Meeting  
Governor's Conference Room - Ground Floor  
State Capitol  
Bismarck, North Dakota**

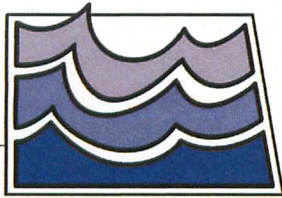
**July 30, 2012  
3:00 P.M., CDT**

**AGENDA**

- A. Roll Call
- B. Consideration of *Agenda* - *Information pertaining to the agenda items is available on the State Water Commission's website at <http://www.swc.nd.gov>*
- C. ***Nelson County Road Settlement***
- D. Western Area Water Supply (WAWS) Project:
  - 1) Project Update
  - 2) ***Consideration of WAWS Overall Plan***
- E. ***State Engineer's Salary***
- F. Other Business
- G. Adjournment

**\*\* BOLD, ITALICIZED ITEMS REQUIRE SWC ACTION**

To provide telephone accessibility to the State Water Commission meeting for those people who are deaf, hard of hearing, deaf and/or blind, and speech disabled, please contact Relay North Dakota, and reference ... TTY-Relay ND ... 1-800-366-6888, or 711.



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*Agenda C*

## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** *TS* Todd Sando, P.E., Chief Engineer/Secretary  
**SUBJECT:** Impact on Nelson County Roads- Devils Lake Projects  
**DATE:** July 23, 2012

County roads in the vicinity of the Devils Lake Construction projects have had continual maintenance and some repair during project construction but additional work was still needed to bring the roads back to original condition.

State Water Commission staff and Nelson County had different ideas on repairs necessary to bring the roads back to previous project condition, but have negotiated a settlement for additional funding.

During the July 13, 2012 meeting and review of the roads in question with Nelson County, it was agreed that \$300,000 would be sufficient to compensate the county for any road damages remaining from the construction traffic resulting from the East Devils Lake Outlet and the Tolna Coulee Control Structure.

**I recommend the State Water Commission approve \$300,000 for Nelson County to complete road repairs at the county's discretion.**

TS:JK:/416-15

JACK DALRYMPLE, GOVERNOR  
CHAIRMAN

TODD SANDO, P.E.  
CHIEF ENGINEER AND SECRETARY



# North Dakota State Water Commission

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*Agenda (D1)*

## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** *TJ* Todd Sando, P.E., Chief Engineer-Secretary  
**SUBJECT:** Western Area Water Supply – Update  
**DATE:** July 23, 2012

The issues between the Western Area Water Supply Authority (Authority) and the Independent Water Providers (IWP) continue, and the effects of the dispute are causing concern with other water users in the state. Both sides have tried to pull in regulators into their dispute, which creates a level of uncertainty that adversely affects water supply development in our state from our largest source of water supply. The effect is both entities desiring to be the major source of water supply for industrial use in the region to the detriment of the other party. This memo is to provide an awareness of the issues being presented and the recent request to the State Engineer's Office and the U.S. Army Corps of Engineers to forego the issuance of any permits for private water development within McKenzie County without engaging the regional water system in discussion for each permit requested.

The most recent issue is related to federal protection that typically prevents encroachment of drinking water systems within municipalities from expanding into rural water systems that have loans with the U.S. Department of Agriculture that need to keep the customers in their region so the loans can be repaid. This is referred to as "1926(b)", which is the federal code.

The first attached letter from the North Dakota Water Users expresses their concern with the dispute affecting development of Missouri River water for the beneficial uses in North Dakota. The second and third attached letters are from the McKenzie County Water Resource District using 1926(b) to assert that new larger private development plans are too extensive and they should not be allowed to proceed, and urges the State Engineer's Office and the U.S. Army Corps of Engineers to forego the issuance of permits without engaging them in the discussion. The fourth letter from the Authority to the IWP states their members have exclusive franchises to provide water sales within their territories.

At this point the 1926(b) claim has not been legally supported, and until the support for the claim can be provided for review, the State Engineer's Office intends to follow our normal process for issuing permits.

TS:MK:1973

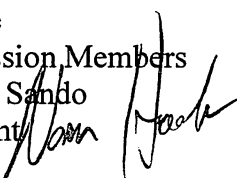
JACK DALRYMPLE, GOVERNOR  
CHAIRMAN

TODD SANDO, P.E.  
CHIEF ENGINEER AND SECRETARY



Michael A. Dwyer  
Executive Vice President  
701-223-4615  
701-223-4645 (Fax)

PO Box 2254 • Bismarck, ND 58502-2254

MEMO: July 24, 2012  
TO: Governor Dalrymple  
State Water Commission Members  
State Engineer Todd Sando  
FROM: Norm Haak, President 

This is to address a matter of grave concern that has arisen concerning the development of Missouri River water for beneficial uses in North Dakota. North Dakota has long held firm to a policy that we need to develop as much water as possible from the Missouri River to protect our rights to the use of that water. Whether it be industrial, agricultural, energy, municipal and rural, irrigation, or any other uses, the Missouri River is our primary source of surface water in North Dakota, and we need to develop and perfect as much use to Missouri River water as possible. We have recently developed irrigation projects as part of Garrison Diversion, we have significant energy plants, we have major regional water distribution projects (Southwest Pipeline, Northwest Water Supply, South Central Regional Water, and Western Area Water Supply), and many other uses by both private and public entities to develop Missouri River water in North Dakota.

Recently, McKenzie County Water Resource District (MCWRD) sent letters to both the State Engineer and the Corps of Engineers asking them to "forego the issuance of any permits for private water development" based on its assertion that 1926(b), Section 7 of the U.S.C.A., gives MCWRD a franchise right to provide water in MCWRD's service area (essentially most of McKenzie County).

This position is completely adverse to long standing water policy and long standing efforts to develop North Dakota's right to the Missouri River. There has been a conflict between the Independent Water Providers and the WAWS board over the providing of water to the oil industry. That conflict needs to be settled, and the State Water Commission has been attempting to work with both parties in that regard. Hopefully that can be worked out. We strongly support the WAWS project, and rural water systems, and want these projects to move forward with us much urgency as possible. However, we do not believe it is good for North Dakota for MCWRD to seek an exclusionary claim for water from the Missouri River.

We have not done legal research as to whether this is an appropriate assertion of 1926(b). MCWRD provides water for municipal and rural water, and water systems that provide water for oil development, are not similar uses. We support developing Missouri River water in North Dakota for all uses by all parties, and we are concerned that the letters forwarded by the MCWRD to the State Engineer and the Corps of Engineers is a serious challenge to the development of Missouri River water in North Dakota.

We urge the Governor and the State Water Commission to take appropriate steps concerning these letters, and continue North Dakota's long term efforts to develop North Dakota's rights to the use of the Missouri River. Thank you for your consideration.





## MCKENZIE COUNTY, NORTH DAKOTA

### Water Resources District Board

205 6th St. NW - (Mailing addr.) 201 5th ST. NW, Suite 1456

Watford City, ND 58854

Tel: 701-842-2821 ext. 7 • Fax: 701-842-2822

Denton Zubke, Chairman  
PO Box 927  
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701-444-6484 work  
701-842-3081 home  
dentonz@dakotawestcu.org

Gene Veeder, Vice-Chairman  
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Lee Tjelde, Board Member  
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701-828-3008  
glaseyes@yahoo.com

Leif Jellesed, Board Member  
10561 HWY 1806 E  
New Town, ND 58763-9084  
701-675-2490  
jellesed@restel.net

Lane Haugen, Board Member  
14914 Hwy 68  
Alexander, ND 58831  
701-828-3555 home  
406-489-1704 cell

Clint Hecker  
Assistant Manager  
Watford City, ND 58854  
701-842-2821  
701-290-6791 cell  
checker@co.mckenzie.nd.us

July 5, 2012

Todd Sando, P.E., State Engineer  
State Water Commission  
900 East Boulevard Avenue  
Bismarck, ND 58505

Re: Private Water Permits within McKenzie County

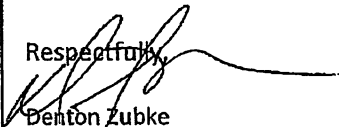
Dear Mr. Sando:

The McKenzie County Water Resource District (MCWRD) is informed of various permit applications and current intentions by private parties who intend to divert water from the Missouri River and create an extravagant pipeline system to sell significant amounts of water to the oil industry within McKenzie County. In some instances, this information has been coupled with demands by the independent water provider community for MCWRD and the Western Area Water Supply Authority to reduce their water sales at water depots so as not to compete with the private water sellers. While MCWRD has historically not objected to the development of isolated private water sellers to meet the demands of the oil industry, the more recent private development plans are simply too extensive to allow to proceed given MCWRD's significant investment in infrastructure and need to generate income to repay its federal loan obligations as well as the state loan obligations authorized in House Bill 1206 during the last legislative session.

MCWRD is requesting the information from these private water sellers, out of concern that these entities may be encroaching on the MCWRD water franchise area. Federal law is very protective of a rural water system's water sales territory if the rural water system is indebted to the Federal government through a federal loan for the water system's infrastructure. See 7 U.S.C.A. 1926(b). MCWRD has outstanding federal Rural Development loans through the USDA and qualifies for the franchise protection of Section 1926(b).

MCWRD believes that the grant of water appropriation permits by the State Engineer's Office or the access permits and easements by the Corps would constitute governmental action that will provide a private water franchise to develop within the MCWRD jurisdiction. The purpose of this letter is to advise you that MCWRD intends to protect its franchise territory from further encroachment by private water sellers, and to request that you forego the issuance of any permits for private water development within McKenzie County without engaging MCWRD in discussion for each permit requested.

Respectfully,

  
Denton Zubke  
Chairman of MCWRD



## MCKENZIE COUNTY, NORTH DAKOTA

### Water Resources District Board

205 6th St. NW • (Mailing addr.) 201 5<sup>th</sup> ST. NW, Suite 1456  
Watford City, ND 58854  
Tel: 701-842-2821 ext. 7 • Fax: 701-842-2822

Denton Zubke, Chairman  
PO Box 927  
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701-444-6484 work  
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701-290-6791 cell  
checker@co.mckenzie.nd.us

July 5, 2012

Jo Ellen Darcy,  
Assistant Secretary of the Army, Civil Works  
108 Army Pentagon  
Washington, DC 20310-0108

Re: Private Water Permits within McKenzie County

Dear Assistant Secretary Darcy

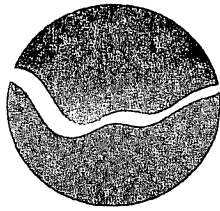
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MCWRD is requesting information from these private water sellers, out of concern that these entities may be encroaching on the MCWRD water franchise area. Federal law is very protective of a rural water system's water sales territory if the rural water system is indebted to the Federal government through a federal loan for the water system's infrastructure. See 7 U.S.C.A. 1926(b). MCWRD has outstanding federal Rural Development loans through the USDA and qualifies for the franchise protection of Section 1926(b).

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Respectfully,

Denton Zubke  
Chairman of MCWRD



# WESTERN AREA WATER SUPPLY AUTHORITY

JUL - 9 2012

July 5, 2012

Bob Harms  
The Harms Group  
815 N. Mandan St.  
Bismarck, ND 58501

VIA EMAIL AND USPS  
robert@harmsgroup.net

Re: WAWSA Response to June 20, 2012 letter on behalf of IWP

Dear Bob,

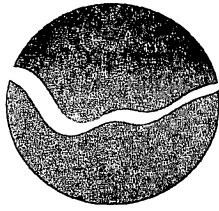
The WAWSA considered your June 20, 2012 letter and presentation requesting further reduction in the WAWSA industrial water sales at WAWSA water depots. The Board has repeatedly considered the location of the IWP depots when siting the locations for WAWSA depots. WAWSA has significantly curtailed the number of water depots it intended to build, based in part on the consideration of IWP water sales potential in certain areas. Your recent letter raises no new issues with the depot locations, but solely focuses on WAWSA depot operations and volume of water sales at WAWSA depots. The legislation very plainly allows WAWSA to control its operations and the requirement to minimize impacts to private water sellers refers solely to the selection of locations for the WAWSA depots. In short, while WAWSA is more than willing to continue discussions with IWP regarding consideration of delayed development of additional water depot locations, WAWSA will not consider limiting water sales at its currently planned depots to only 2 ports.

As you know, WAWSA is selling water at depots in order to finance a large, domestic water supply for the region. This water supply project is expensive and WAWSA takes the repayment of its loan obligations very seriously. A reduction of all WAWSA depots to only 2 ports would jeopardize the ability of WAWSA to repay its debts, which would not only jeopardize a large regional water system's ability to function, but it would also put the State coffers at risk. WAWSA is simply unwilling to do so.

In your letter and presentation, you threatened to sue WAWSA over the House Bill 1206 "minimizing impacts" language. Before embarking on any litigation against the project, you should be advised that many stakeholder members of WAWSA have existing USDA Rural Development loans outstanding. As such, these members have exclusive franchises to provide water sales within their territories. See 7 U.S.C.A. 1926b. Federal courts interpreting this statute generally hold that the franchise territory of indebted rural water systems is sacrosanct and will be free from encroachment by other public or private water sellers since competing water sales may impact the water system's ability to repay federal loan obligations. To date, the WAWSA Member water systems have not taken action to curtail the private water developers that existed within their jurisdictions when House Bill 1206 was passed. The WAWSA member systems were committed to allowing the private water developers to continue their existing operations at that time.

Your letter suggests that it is intended to alert WAWSA of some issues of legal concern that may motivate WAWSA to meet the IWP's demands. In the interest of full disclosure, WAWSA similarly thought it was time to raise this issue that should be a significant concern to the IWP members and encourages the IWP members to halt their threatened political and legal campaign against the WAWSA project. WAWSA has not interfered with private water development to date, but that position may have to change given the constant political objections from your IWP members coupled with a new surge of interest in larger water development within WAWSA members' exclusive franchise areas that might jeopardize the financial success of the project. WAWSA and its





# WESTERN AREA

WATER SUPPLY AUTHORITY

member systems are learning of new and significant expansions of various private water suppliers at a level that could jeopardize the various stakeholder's abilities to repay their federal debt obligations. WAWSA simply cannot allow additional development on a scale that will jeopardize the financial stability of the WAWSA project.

WAWSA continues to be willing to listen to and consider the IWP's concerns and demands. Per your request for a meeting with the full Board, I invited the entire WAWSA Board to attend a meeting with the IWP on the morning of July 18<sup>th</sup>. We would be willing to set aside from 10:00am to noon to meet with you. One of the recurring questions from Board members and their constituents is who exactly is being represented by IWP. We would appreciate it if you would bring that information to the meeting with the Board on July 18<sup>th</sup> so they get a better sense of who is behind these requests.

Respectfully,



Denton Zubke

Cc: Governor Jack Dalrymple  
SWC Members  
WAWSA Board

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# North Dakota State Water Commission

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*Agenda D 2)*

## MEMORANDUM

**TO:** Governor Jack Dalrymple  
Members of the State Water Commission  
**FROM:** *TSD* Todd Sando, P.E., Chief Engineer-Secretary  
**SUBJECT:** Western Area Water Supply – Approval for \$110 Million State Funds  
**DATE:** July 23, 2012

### Request for Approval of \$110 Million State Funding

The Western Area Water Supply Authority (Authority) is requesting approval for an increase in the overall plan from \$100 million to \$119 million. The overall Project plan requires approval by the State Water Commission (Commission), and individual plans and specifications are subject to approval by the staff of the Commission. The Commission previously approved an overall plan of \$100 million. The Project authorizing legislation outlined state funding of \$110 million. The Authority has evaluated the Project cash flow and anticipates using Project revenues to fund all costs above the state funding of \$110 million.

The increase in the Project cost estimate is due to addition of a Williams Rural Water West Expansion Project for \$4.7 million, increase in pipeline size from 12" to 14" for the line to Crosby, and extending larger sized pipe on portions of two projects to meet immediate domestic demands, and further evaluation of the proposed water treatment plant expansion after rejecting the first round of bids. The Williams West expansion project would be cost shared with Basin Electric, who plans to contribute \$2 million toward the construction of this line. Final details are being worked out, however there are benefits to moving forward with this project at this time. The attached memo from Jaret Wirtz, Authority's Executive Director, provides details on the project.

### Previously Approved

As background information, the following lists of projects were included in the approval of the overall plan up to \$100 million.

The Phase I projects (approved June 21, 2011)

- Eleven miles of 16" to 30" pipeline on the west and north side of Williston,
- 5 million gallon reservoir northwest of Williston,
- Twenty six miles of a 14" pipeline heading west and then north from Wildrose to Crosby, (The original project for a 12" line was increased to a 14" line after increase in domestic signups in this area.)
- Approximately 200 miles of 2"-6" pipeline in McKenzie County around Alexander.

JACK DALRYMPLE, GOVERNOR  
CHAIRMAN

TODD SANDO, P.E.  
CHIEF ENGINEER AND SECRETARY

The Phase II - Tier I projects (approved December 9, 2011)

- Williston water treatment plant expansion from 10 million gallons per day (MGD) to 14 MGD,
- Thirty miles of 20" to 24" pipeline heading north and east of Williston to Ray,
- Thirty-two miles of 16" to 20" pipeline from south of Williston heading south and then east to Watford City,
- Three 500,000 gallons reservoirs and two 2 million gallon reservoirs,
- Four pump stations which include a 6 MGD near 13 mile corner, a 3 MGD at the Ray water treatment plant, and two 4.5 MGD along the pipeline heading south from Williston.
- Approximately 8 industrial water depots are included in this phase and will range in size from 2 to 6 fill points, with a fill point averaging delivery of 200 gallons per minute over a 24 hour period.

**I recommend the State Water Commission approve the remaining \$10 million in state funding for a total of \$110 million, and approve the addition of the WAWS Williams Rural Water West Expansion Project for an overall WAWS plan of \$119 million. The State Water Commission requests a Bank of North Dakota financial review of the \$119 million Project in relation to supporting repayment of the state loans.**

TS:MK:1973



# WESTERN AREA WATER SUPPLY AUTHORITY

July 20, 2012

Mr. Todd Sando, PE, State Engineer  
North Dakota State Water Commission  
900 E Boulevard Ave  
Bismarck ND 58505

RE: Request for Approval of Construction of Williams Rural Water West Expansion Project

Dear Mr. Sando,

House Bill (HB) 1206 established the Western Area Water Supply Authority (WAWSA) to develop a regional water system for northwest North Dakota. It further specified oversight for the project by the North Dakota State Water Commission (NDSWC). It more specifically stated that "In relation to initial construction of the system and debt repayment, the authority shall present the overall plan and contract plans and specifications for the project to the NDSWC for approval." In a letter dated October 17, 2011, the WAWSA requested approval of Phase II - Tier 1 projects and informed the NDSWC that they were working on prioritizing the remaining rural water projects. At the December 9, 2011 NDSWC meeting approval was granted for construction of Phase II - Tier 1 construction of the Western Area Water Supply Project (WAWSP) and available funding was limited to a total of \$100 million.

WAWSA has completed its evaluation of the rural water needs and has determined that a rural water expansion to the Williams Rural Water District system west of Williston is the next priority project. Attached is a map of the proposed project. Also attached is the latest capital accounting summary for the WAWSP. Phase I, II and IIA in the capital accounting summary includes all of the projects that have been submitted for approval. The total capital expenditure required will be \$119 million. WAWSA has evaluated the cash flow and anticipates using revenue from the project to fund the gap between \$110 million and \$119 million.

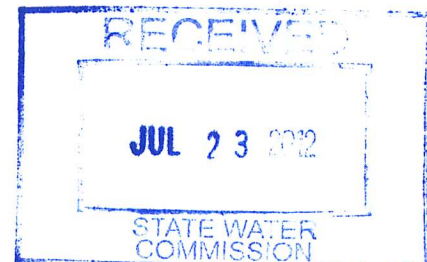
WAWSA requests that the NDSWC approve the Williams Rural Water West Expansion Project for construction and that the available funding from the Bank of North Dakota be increased \$10 million to \$110 million as authorized in HB 1206.

Thank you for your consideration

Jaret Wirtz

Executive Director

Western Area Water Supply Authority





Report Name Executive Project Summary  
Capital Costs Incurred Through Date 6/30/2012

	Business Plan Estimate	Baseline Engineering Estimate	Project Growth / Expansion	Contracted Amounts To-Date	Actual To-Date	Best Estimate To-Date	
<b>Phase I</b>							
Task Order No. 4 - Regional Water Service Phase I Pipeline	\$ 10,225,000	\$ 10,337,100	\$ -	\$ 10,188,170	\$ 9,984,149	\$ 10,337,100	*1
Task Order No. 5 - Regional Water Service Phase I Reservoir	\$ 5,000,000	\$ 5,646,004	\$ -	\$ 5,339,302	\$ 2,646,503	\$ 5,646,004	*1
Task Order No. 6 - Regional Water Service to Crosby/BDW	\$ 4,000,000	\$ 5,138,650	\$ 760,339	\$ 5,847,716	\$ 4,251,472	\$ 5,898,989	*1
Task Order No. 7 - Regional Water Service System IV - Phase I	\$ 3,700,000	\$ 4,126,000	\$ 5,158,078	\$ 8,835,654	\$ 2,252,629	\$ 9,284,078	
Task Order No. 8 - Board Development and Administration	\$ -	\$ 971,140	\$ -	\$ 971,140	\$ 685,221	\$ 971,140	*2
Task Order No. 8a - Public Information ACT Request	\$ -	\$ -	\$ -	\$ 10,163	\$ 10,163	\$ -	
<b>Phase II</b>							
Task Order No. 10 - Williston Water Treatment Facility Expansion	\$ 11,000,000	\$ 13,420,000	\$ -	\$ 2,170,922	\$ 1,876,922	\$ 13,420,000	
Task Order No. 11 - Transmission Pipeline Improvements	\$ 36,780,000	\$ 35,273,220	\$ 1,701,015	\$ 31,869,922	\$ 6,132,526	\$ 36,974,235	
Task Order No. 12 - Reservoirs and Pump Stations	\$ 13,395,000	\$ 15,302,845	\$ 435,000	\$ 15,016,559	\$ 2,241,226	\$ 15,737,845	
Task Order No. 13 - Hydraulic Modeling	\$ -	\$ 150,000	\$ -	\$ 150,000	\$ 150,000	\$ 150,000	*2
Task Order No. 14 - Fill Depots	\$ 2,825,000	\$ 8,248,840	\$ 1,251,160	\$ 572,674	\$ 364,574	\$ 9,500,000	
Task Order No. 15 - Rural Water System Expansion	\$ 370,000	\$ 370,000	\$ 183,000	\$ 553,000	\$ 223,190	\$ 553,000	
Task Order No. 15a-1 - WRWD West Expansion Engineering	\$ -	\$ -	\$ 312,000	\$ 312,000	\$ 184,475	\$ 312,000	
Task Order No. 16 - Right of Way Procurement	\$ -	\$ 1,500,000	\$ -	\$ 1,500,000	\$ 793,807	\$ 1,500,000	
Phase III Engineering, Legal, and Administration 17.2	\$ 4,330,000	\$ 2,800,000	\$ -	\$ -	\$ -	\$ 2,800,000	
Additional Phase III Engineering, Legal, and Administration	\$ 1,400,000	\$ 1,400,000	\$ -	\$ -	\$ -	\$ 1,400,000	
<b>Phase II (A)</b>							
Task Order No. 15a-1 - WRWD West Expansion	\$ -	\$ -	\$ 4,695,335	\$ -	\$ -	\$ 4,695,335	
<b>Phase III</b>							
Task Order No. 10 - Williston WTP Expansion from 14 - 21 mg	\$ 21,000,000	\$ 24,580,000	\$ -	\$ -	\$ -	\$ 24,580,000	
Task Order No. 11 - Transmission Pipeline Improvements	\$ 3,980,000	\$ 4,642,432	\$ -	\$ -	\$ -	\$ 4,642,432	
Task Order No. 12 - Reservoirs and Pump Stations	\$ 1,150,000	\$ 1,386,059	\$ -	\$ -	\$ -	\$ 1,386,059	
Task Order No. 14 - Fill Depots	\$ 1,770,000	\$ 2,091,160	\$ -	\$ -	\$ -	\$ 2,091,160	
Task Order No. 15 - WRWD Black Tail Dam	\$ 1,380,000	\$ 1,445,000	\$ -	\$ -	\$ -	\$ 1,445,000	
Task Order No. 15 - WRWD R&T Service Area	\$ 2,275,000	\$ 2,380,000	\$ -	\$ -	\$ -	\$ 2,380,000	
Task Order No. 15 - MCRWD System I	\$ 4,475,000	\$ 4,675,000	\$ -	\$ -	\$ -	\$ 4,675,000	
Williston Phase II By-Pass Transmission Lines	\$ 8,460,000	\$ 8,713,800	\$ -	\$ -	\$ -	\$ 8,713,800	
Williston Intake Expansion from 14mg to 21mg	\$ 11,700,000	\$ 12,051,000	\$ -	\$ -	\$ -	\$ 12,051,000	
Service to Grenora	\$ 810,000	\$ 834,300	\$ -	\$ -	\$ -	\$ 834,300	
<b>Phase III (A)</b>							
Task Order No. 7 - Reg Water Service System IV - Phase II (a)	\$ -	\$ -	\$ 6,765,000	\$ -	\$ -	\$ 6,765,000	
Rural Water System Expansion - Phase III (A)	\$ -	\$ -	\$ 1,256,524	\$ -	\$ -	\$ 1,256,524	

	Business Plan Estimate	Baseline Engineering Estimate	Project Growth / Expansion	Contracted Amounts To-Date	Actual To-Date	Best Estimate To-Date
<b>Phase I Totals</b>	\$ 22,925,000	\$ 26,218,893	\$ 5,918,417	\$ 31,181,982	\$ 19,830,137	\$ 32,137,310
<b>Phase II Totals</b>	\$ 70,100,000	\$ 78,464,905	\$ 3,882,175	\$ 52,145,078	\$ 11,966,719	\$ 82,347,080
<b>Phase I - II Totals</b>	\$ 93,025,000	\$ 104,683,798	\$ 9,800,592	\$ 83,327,060	\$ 31,796,857	\$ 114,484,390
<b>Phase II (A) Totals</b>	\$ -	\$ -	\$ 4,695,335	\$ -	\$ -	\$ 4,695,335
<b>Phase I - II (A) Total</b>	\$ 93,025,000	\$ 104,683,798	\$ 14,495,927	\$ 83,327,060	\$ 31,796,857	\$ 119,179,725
<b>Phase III Totals</b>	\$ 57,000,000	\$ 62,798,751	\$ -	\$ -	\$ -	\$ 62,798,751
<b>Phase I - III Totals</b>	\$ 150,025,000	\$ 167,482,549	\$ 14,495,927	\$ 83,327,060	\$ 31,796,857	\$ 181,978,476
<b>Phase III (A) Totals</b>	\$ -	\$ -	\$ 8,021,524	\$ -	\$ -	\$ 8,021,524
<b>Phase I - III (A) Totals</b>	\$ 150,025,000	\$ 167,482,549	\$ 22,517,451	\$ 83,327,060	\$ 31,796,857	\$ 190,000,000

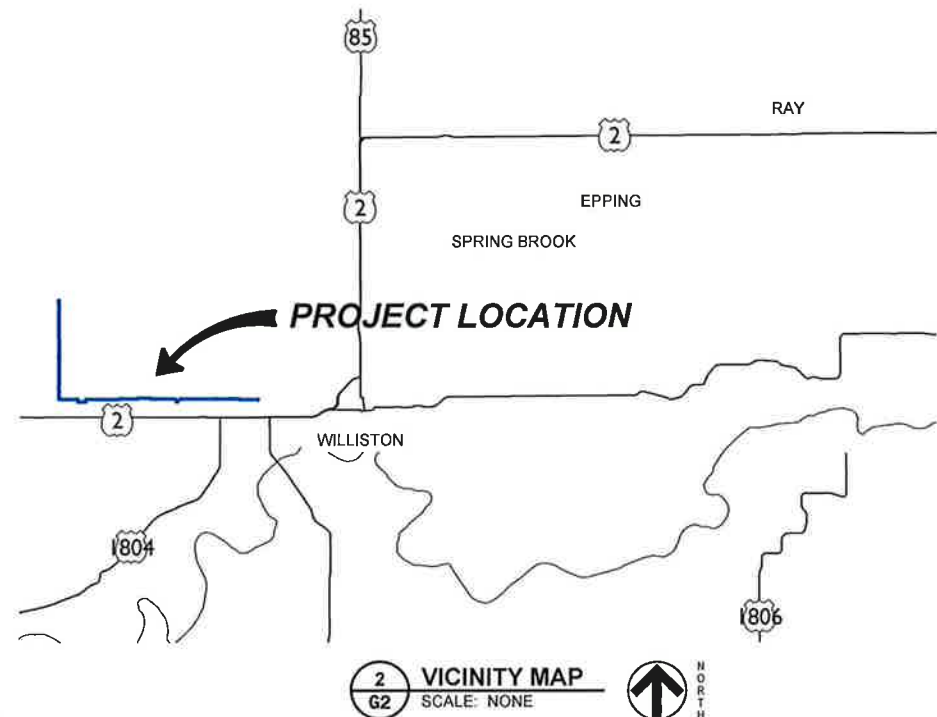
\*1 - A portion of basic engineering services were paid with the \$1.5M State Water Commission grant provided to McKenzie County Water Resource District. These fees are not included in the estimated total project cost so as to only track estimated loan dollars utilized for the project.

\*2 - Recommended for reimbursement from cash from operations (\$1,140,449).

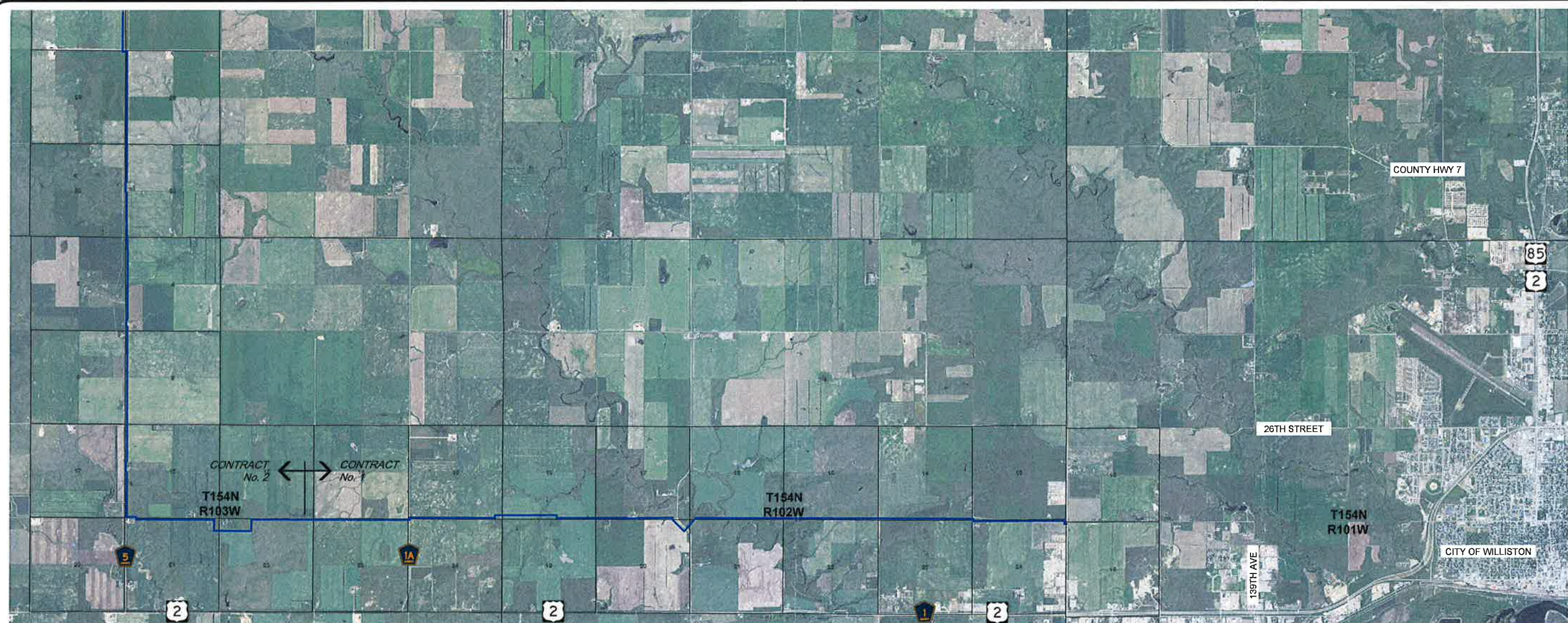
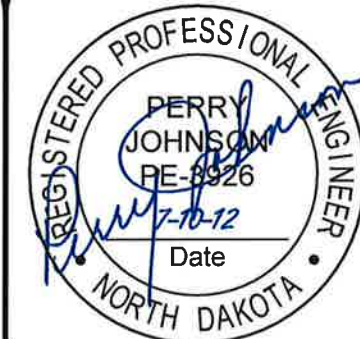
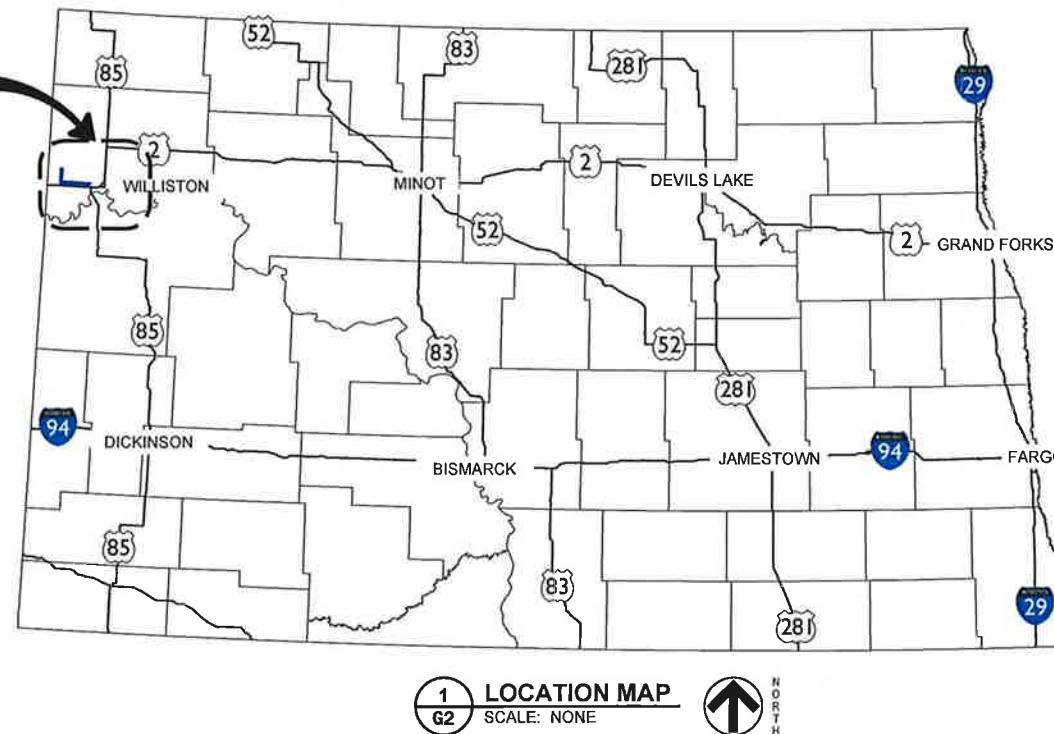
2.1 Task Order No. 8: \$990,449  
2.2 Task Order No. 15: \$150,000

	Estimated Contingencies	Awarded Contingencies
Phase I	\$ 929,112	\$ 929,112
Phase II	\$ 3,173,731	\$ 2,561,273
<b>Phases I - II</b>	\$ 4,102,843	\$ 3,490,385





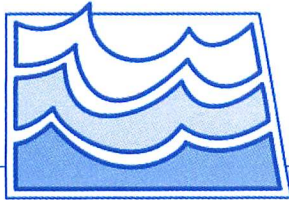
**PROJECT LOCATION**



WAWSA - WILLIAMS RURAL WATER DISTRICT  
WEST EXPANSION PHASE I  
WILLISTON, NORTH DAKOTA

DRAWING TYPE	CONSTR
PREPARED BY	RJM / EM
CHECKED / APPROVED	RDG / PAJ
DATE	JULY 2012
PROJECT NUMBER	P10670-2011-08-040-01
SHEET	2 of 44
FACILITY	GEN
DRAWING	G2





# North Dakota State Water Commission

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701-328-2750 • TDD 701-328-2750 • FAX 701-328-3696 • INTERNET: <http://swc.nd.gov>

*Agenda E*

## MEMORANDUM

**TO:** Governor Jack Dalrymple  
North Dakota Water Commission Members

**FROM:** *TSD* Todd Sando P.E.  
Chief Engineer-Secretary

**SUBJECT:** State Engineer Salary

**DATE:** July 30, 2012

In our biennial audit for the period ended June 30, 2011 the Office of the State Auditor recommended that we comply with NDCC 61-03-01 to ensure that the state engineer is not setting and approving their own salary.

The Commission has not in recent history approved the State Engineer's salary adjustments, however the Commission did take action on December 7, 2007 reaffirming "that the State Engineer has the authority to determine administrative decisions regarding all State Water Commission staff." Because this would include setting salaries and the State Engineer also serves as the secretary and chief engineer to the State Water Commission we believe we were complying with the wishes of the Commission. The Office of the State Auditor did not feel this adequately addressed their concerns.

In order to clearly convey and document Commission action we ask the Commission to formally address the State Engineer's salary adjustments.